ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 December 2022
Performing Right Society Limited

Company Registration Number
No. 00134396 (England and Wales)

PERFORMING RIGHT SOCIETY LIMITED

COMPANY INFORMATION

Directors	***Writers*** V Brown M Escoffery-Ojo T Gray C Hunt D Masters L Mvula J Nott P Pope J Simmonds P Woodroffe ***Publishers*** J Alway J Andersen A Bebawi N Gilroy A Kassner D Lang J Minch R Paine S Platz ***Executive Director*** A Czapary Martin ***Independent Directors*** S Davidson E Ingham G Mansfield T Toumazis
Company Secretary	J Aitken
Company number	00134396
Registered office	Goldings House, 2 Hays Lane London, United Kingdom SE1 2HB
Independent auditor	Deloitte LLP 1 New Street Square London, United Kingdom EC4A 3HQ

The definitions of subsidiaries, joint ventures and other partners are set out within the Accounting policies on page 28.

PERFORMING RIGHT SOCIETY LIMITED

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PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the Strategic report for Performing Right Society Limited ("the Company") and its subsidiary PRS for Music Limited ("PfM") (together, "the Group", "PRS For Music") for the year ended 31 December 2022.

Review of the Business
Financial results and key performance indicators
2022 was a historic year for PRS (the Company), solidifying its status as a world leading rights management organisation. At a time when many businesses were focussed on rebuilding following the Covid-19 pandemic facing a downturn in the global economy, PRS for Music delivered its highest ever revenues, distributed more royalties than ever before, all while ensuring a historically low cost-to-income ratio.

Over the last 12 months the Group, under the leadership of Andrea Czapary Martin, CEO, the Board and Members' Council, drove forward its strategic imperatives - delivering excellent services and support to members, maximising and growing the value of the rights entrusted to us, building flexible and innovative distribution systems, and empowering a high-performing and engaged team. All of which are reflected in the year's financial results.

PRS reported revenues of £964 million in 2022, year-on-year growth of 24% (£187 million). This represents not only a return from the declines during the pandemic but record revenues, exceeding our previous highest (£810 million in 2019) by 19%.

Royalties from Public Performance were the greatest catalyst of growth driven by an upsurge in Live music and recovery in the Hospitality and Entertainment sector. Revenues increased by £91m (66%) compared to the previous year and were 3.0% higher than 2019, the last full year without covid restrictions. During the peak of the global lockdowns, royalties from Live fell to just £8 million in 2021, but bounced back this year to £62.7 million – the largest single category of public performance royalties. PRS for Music took active steps to support the live music sector in 2022, with the launch of our 'Back to Live Music Venue Prize" competition. The new initiative offered financial support to independent live music venues wanting to improve facilities for customers and equipment for performers. In total, £60,000 was awarded to six venues across Scotland, Wales, Northern Ireland and England.

Online royalties, including both multi-territory and UK digital, increased by £66 million (25%) year-on-year. Above expected growth was delivered across multi-territory music streaming services, notably Spotify, Amazon Music and YouTube. While revenues from UK Video on Demand grew by £3.7 million (10.7%) year-on-year, resulting from new licence agreements and increased subscriptions revenues. These increases partially offset the ongoing decline of royalties across traditional broadcast services, falling £0.6 million year-on-year, as the market shifts away from linear broadcasting.

Overall, PRS' international revenues grew by £30m (12%) year-on year. Strong performance was achieved across all major international territories, with North American and Caribbean territories growing by £15.4 million (22%) year-on-year, due to increased royalties across online, television and radio. The largest market for members music remained Europe, with North, Eastern and Central European royalty collections increasing by £15.1 million (16%) compared to the previous year. In another sign of ongoing recovery post pandemic, the last twelve months delivered increased royalties from cruise lines.

Alongside record revenues, PRS paid-out more royalties than ever before. Distributions grew to £836 million in 2022, a year-on-year increase of 23.5%. This is £137 million (20%) higher than our previous high in 2020. The two main distributions in October and December were collectively in excess of £415 million, with the former being the single largest distribution in our 108-year history. The largest growth in distributions was across public performance, which grew by 154.7%, year-on-year, to £182.4 million, although there are limits from how much should be concluded from such a comparison. Given Public performance distributions fell from £143.4 million in 2019 to just £71.6 million in 2021, due to the impact of lockdowns on customers. Royalties from Public Performance in 2021, also included the release of all revenues held back in the two previous years to meet credit notes issued to customers who were forced to close during the pandemic.

The year's unprecedented distributions were possible due to our continued investment in new technologies and services, including transitioning our processing systems to the Cloud last year. Alongside the driving technological developments, PRS for Music continues to be a leading advocate for greater transparency and co-operation to accelerate the effective management of industry data. In 2022, we announced the creation of a new works data portal, a pioneering initiative with which will make available, for the first time, industry metadata, including the crucial links between sound recordings and musical works. The new portal, due for launch in 2023, will make it easier for streaming services to provide writer credits alongside existing artist information.

PRS for Music's record revenues and distributions, were matched by reductions in its cost-to-income ratio. Overall costs were £113m for 2022, an increase of £14m (13%) compared to the prior year (2021: £99.2m). This was primarily driven by performance related cost, the commission charges from our subsidiaries and joint-ventures, which is linked to increased revenues, and corporate incentives. 2022 also include £4m of investment costs, including the consolidation of our office properties and the completion of our new office in London Bridge. Despite the increase in costs, the cost-to-income ratio fell from 11.2% (2021) to 9.3% (excluding charitable donations and subsidies), already below the 10% target PRS for Music was seeking to achieve by 2026.

PRS for Music remains on track and committed to its 5 year vision: to become a billion-pound society (in royalties paid out), to innovate across our business and joint ventures and maintain our cost-to-income ratio below 10%. The Group's strong performance in 2022 ensures PRS is well placed to deliver the transformation required to pursue the opportunities of the global music market, enhance the service to our members and maximise the value of their works.

The Group uses the below key financial performance indicators as they best represent the collection and distribution of royalties and effectiveness of cost management that maximise value to our members, the results during the year were as follows:

	2022 **£000**	2021 **£000**	Change **%**
Revenue	(963,972)	(777,116)	24.0
Net Distributable Income (i)	(872,000)	(687,061)	27.0
Cost:Income ratio (ii)	9.5%	11.6%	(2.1)
Distributions (iii)	836,201	677,223	23.5

(i) Net Distributable Income is calculated as Profit before tax and funds attributable to members and affiliated societies, excluding the share of profit/(loss) of joint ventures, including the deduction of tax. It is directly impacted by the movements in revenue and costs.

(ii) The Cost to Income ratio is calculated as total costs (Licensing and Administrative expenses excluding FX Gain / loss, Finance costs, Donations, Tax), less: Other Operating Income, Investment Income and FX Gain/losses, as a % of Revenue. (C:I ratio excluding donations and subsidies is 9.3%).

(iii) Distributions are measured as the gross amounts payable to members, before the application of Tax and VAT, aligned to the amounts disclosed in the Annual Transparency Report. This differs to the 'Amounts paid to members and affiliates' number included in the Consolidated Statement of Cash Flows, which is net of Tax, VAT and other deductions.

Cost:Income ratio and Distributions are non-GAAP measures. Given the nature of the business, the Group's directors are of the opinion that disclosure of KPIs other than those stated above is not necessary for an understanding of the performance of the business.

Commercial achievements
The Group's record revenues are the manifestation of our ambitious commercial strategy, focussed on growing the value of existing licences and identifying new business opportunities in the market. Internationally PRS for Music continued to revise the agreements with other societies around the world, reducing deductions and ensuring greater transparency.

In 2022, PRS for Music agreed 33 major new and renewed licences with UK Broadcast and Digital partners, including Channel 4, UKTV, Amazon Prime Video, Apple TV+ and Sony Playstation. The year also saw the conclusion of a landmark agreement with Twitch, a market leading eSports and interactive live streaming platform, an important new partnership in the rapidly growing online gaming market. PRS also licensed its first Non-Fungible Token (NFT), Muse's 'Will of the people' became the UK's first chart eligible NFT album and concluded a multi-year licence with Driift, the largest UK promoter of online concerts. While work begun to quantify the opportunities and challenges of music used in the Metaverse, following our licensing of live concerts on platforms such as Roblox and Fortnite.

In August, PRS for Music published its new Fireworks Tariff, streamlining the process for customers wanting to use music alongside their light, drone and firework displays. This was followed later in the year with the agreement of a new Live Classical Tariff agreement, a process which had been put on hold during the pandemic. The new Tariff has not been updated since 2003, and will see fixed rates increase to 6.5% of qualifying revenues, while introducing new discount rates for amateur players.

Last year also saw us conclude a central licensing agreement with the Northern Ireland government, affording schools the ability to use music online as well as record music into their many productions. This licence was the first of its kind to include digital rights for schools and we hope will prove a significant landmark for others to follow. We also saw notable year-on-year growth for the licensing of Independent Production Companies, as well as Commercial Radio and MSB2B, where we concluded deals with new key customers and experienced a further post-Covid recovery in advertising and service revenues.

This year PRS for Music laid the framework for a new Customer Relationship Management (CRM) system, which will provide for simplified customer experience when purchasing a licence, while ensuring we can more efficiently identify new licensing opportunities. Our first CRM for licensees will be roll-out in 2023.

The International revenues of PRS for Music grew substantially particularly with the return of the live music sector and cruise line industry. PRS for Music also substantively completed a three-year project to renegotiate its agreements with sister societies providing for reduced deductions, increased transparency, and custom terms for the company's proprietary MLCS® - Major Live Concert Service program. Other key international milestones included an agreement with the French Tax Authority to make it possible for all PRS members to benefit from their applicable tax treaty benefits, and the expansion of licensing activities into the Gulf airlines sector.

Distributions
The Group paid out more royalties in 2022 than ever before, the £836.2million distributed was an increase of £159 million (23.5%) on the previous year. In October alone we paid out £212.4 million, the largest single distribution in our history, to over 80,000 members, including [10,000] paid for the first time, itself a record. We recorded 100% of accuracy and 100% of timely distribution across the 12 months, exceeding the previous year (2021: 99.5% accuracy and 96.5% timely). PRS has committed to pay out over a billion pounds in royalties within the next five years. This year the Group made very significant progress towards this ambition, with distributions exceeding £800 million for the first time.

Maintaining the acceleration in royalty distributions, will require even greater capacity to quickly and accurately process usage data and match works and rightsholders. To this end, PRS for Music embarked on a ground-breaking 5 Year project to revolutionise the way it pays out royalties, focused on giving greater transparency and control to members. The End-to-End Project is reviewing all business activities within the distribution ecosystem, to identify opportunities for greater automation and the opportunity to establish new partnership. It's considering options to move to a more flexible and quicker payment model, where members can draw down royalties rather than wait for one of the quarterly distributions, as well as providing more information about the status of royalties as they move through the system.

This year's record distributions have only been possible because of our long term strategic view, and the investment in new services and technologies capable of managing the tens of trillions of lines of usage data which must now be processed.

This year we realised benefits from the ongoing migration of PRS for Music's distribution processing systems to a new flexible, scalable, and sustainable environment on the cloud. The additional processing capacity in the cloud allows works to be matched to usage, ensuring greater speed and accuracy in the distribution of royalties to members.

Alongside developing state-of-the-art infrastructure technologies PRS for Music continues to use its expertise to develop solutions to accelerate payments. This year we developed new in-house processes to enable the distribution of £34 million of multi-territory online residual and settlement royalties, including Spotify residual royalties from 2016 and 2017 which would otherwise have been delayed till 2023.

As part of our commitment to maximise the royalties paid to members we introduced a new initiative to improve the speed of royalty distributions from overseas societies. Working closely with 18 societies, we provided greater visibility of royalties on hold and instigated dialogue to address the barriers to payment. In one instance alone, we were able to accelerate the payment of around £900,000 from another society.

Achieving the essential balance between accuracy of distributions and the cost of procuring and processing usage data requires consistent application of policies and embracing emerging technologies. Census based distributions, often referred to as "pay per play", is our preferred method, as it provides for collection, processing and payment of every performance. This is the most common approach across broadcast and online distributions. It is, however, the most expensive option and relies upon users having the capacity to provide detailed performance reporting.

Where census is impractical, a statistically relevant and representative sample is applied. A sample is generally applied in sectors where this is likely to be highly repetitive repertoire used. Where even this is not cost effective, or it is considered usage is not sufficiently repetitive, distributions are made based on analogy. PRS for Music is committed to minimising the application of analogy-based distributions and is actively engaged with providers of Music Recognition Technology services to automatically identify and report music played.

Despite best endeavours there are often objective reasons why some royalties can't be distributed, including missing data or personal information, legal disputes or we are still developing a distribution policy. We are constantly striving to reduce the royalties held, although by association as revenues increase and we are paying more members, the amount of royalties held generally increases by association. For example, in 2022 the amounts attributed but not distributed increased by £298,507, but as a percentage of net distributed royalties it fell year-on-year from 7.7% to just 6.3%. This year PRS has made changes to its Annual Transparency Report providing greater granularity on why certain royalties could not be distributed, ensuring even greater transparency to members.

Joint ventures and partnerships
Joint ventures and partnership are an essential element of the Group's future, offering operational efficiencies, through shared processing and licensing, and the opportunity to better maximise the value of members works. Their endeavours throughout the year have been instrumental in driving growth and the Group is grateful for their continued support and dedication to supporting PRS for Music and the members.

Our joint venture with PPL (PPL PRS Ltd), which combines public performance rights for sound recording and musical into a combined licence, was focused on supporting customers as they fully reopened following the severe disruptions in 2020 and 2021. This included processing credit notes for customers whose businesses had been forced to close and issuing new licences as they returned to normal operations. In 2022, Helen Sachdev was appointed as chair of PPL PRS Ltd, bringing with her a wealth of experience from senior management roles in companies such as Tesco and Barclays Bank.

In March, Peter de Mönnink took over as CEO of International Copyright Enterprise ("ICE"), the joint venture with STIM and GEMA and the world's first integrated processing hub. Since its launch in 2016, ICE have distributed more than €3bn in royalties to rightsholders and has accelerated growth in multi-territory licensing.

This year ICE renewed licences with a number of key customers, including YouTube, TikTok and Meta. ICE offers world leading solutions for rightsholders and is leading the development of new technologies and services to tackle many of the challenges of the streaming market. One such development, ICE Apollo, has provided enhanced matching and online service delivery throughout 2022, increasing the speed and accuracy of works matching and processing. The successful performance of ICE in 2022 has generated operational cash inflow leading to a surplus cash balance and enabled the self-funding of the joint venture for the foreseeable future.

Throughout the last year PRS for Music strengthened the partnership with Mechanical Copyright Protection Society (MCPS), delivering significant growth in revenues and distributions, alongside market-leading rights management services to MCPS and its members. The joint licensing of mechanical and performing rights, simplifies the process of obtaining rights for thousands of customers, while providing significant administrative cost savings for respective members.

Members and Governance
In 2022, the Chair (Nigel Elderton) and Deputy-Chair (Dru Masters) of the Members' Council stood down following the completion of their term. Nigel Elderton, who had served as Chair since 2016, also retired as Council Member following 30 years as a Director of PRS. The whole PRS for Music team thank Nigel for his invaluable contribution to the Group successes over the last three decades.

In December, the Members' Council appointed Julian Nott, Writer Council Member, as Chair and Alex Kassner, publisher Council Member, as Deputy Chair.

Julian Nott was elected to the Members' Council in 2021, previously serving on the PRS Board from 2010 to 2019. A successful composer, he has scored music from some of the UK's most successful shows, including Wallace and Gromit, Peppa Pig and Lark Rise to Candleford. His previous roles include a management consultant with Arthur Andersen (now Accenture) and a writer for the Economist Publications.

Head of Legal and Business Affairs at Kassner Music, Alexander Kassner, is also a director of MCPS and PPL PRS Ltd, as well as Chair of the Popular Music Publishers Committee of the MPA.

Michelle Escoffery-Ojo was re-appointed as President of the PRS Members' Council, where she will continue her focus on strengthening the relationship between members and PRS for Music, as well as identify partnerships to provide help and support for emerging and established creators.

At the 2022 Annual General Meeting (AGM) four publisher and four writer Council Members were elected. For the publishers, Nigel Gilroy (Novello and Company); Daniel Lang (Warner Chappell Music), John Minch (Concord) and Richard Paine (Faber Music) joined the Council. While Crispin Hunt, Tom Gray and Philip Pope were re-elected as writer members. Hannah Peel, who was also elected as a writer member, unfortunately stood down for personal reasons shortly after the AGM, the Council appointed the award-winning singer-songwriter Laura Mvula into the vacancy created. A temporary vacancy on the Members' Council was also created at the end of the year when Fiona Bevan stood down, the Council appointed VV Brown into the writer Council Member position until the next election.
The year saw the launch of the PRS Community initiative, with Members' Days held around the UK in Cardiff, London, Belfast and Manchester. Across the four events, members were given access to experts on specially curated panels, meet the PRS senior leadership team, 1-2-1 surgeries to discuss issues specific to their royalties, and performances of live music with the opportunity to network with fellow members. Response to the Members' Days has been overwhelmingly positive and further regional events will be held in 2023.

More generally, PRS for Music continued its support of key music industry awards, up and coming talent and events throughout the year, including The Ivors, The Ivors Composer Awards, Music Week Awards, Women in Music Awards, Jazz FM Awards, Gramophone Awards, Royal Philharmonic Society Awards, Hospital Radio Awards, ARIAS, MG Alba Scots Trad Awards, NI Music Prize, Welsh Music Prize, Student Radio Awards, Production Music Awards, the Young Songwriter Competition, British Music Embassy (SXSW), The Great Escape, Liverpool Sound City, Radio Academy Festival, Brighton Music Conference and Focus Wales.

Diversity and Inclusion
Throughout 2022 the Group continued on its journey to be a leading diverse and inclusive employer by building on the strong foundations established over the last few years. This included the appointment of a new Head of Inclusion and Employee Experience, who started in May 2022, and ensures a holistic approach to equity, diversity and inclusion across PRS for Music's activities.

PRS for Music embedded new inclusive recruitment practices and career development strategies, designed to increase the number of colleagues from under-represented groups in senior roles. The changes in recruitment processes, including actively using diverse hiring and interview methods, resulted in a greater number of new starters from Ethnically diverse communities, increasing to 30% compared with the 20% in the previous year. PRS for Music also improved the collection of employee diversity data, from 77% to 92.3%, giving great ability to track and report its progress against its diversity goals. In 2022, PRS for Music accelerated activities to promote greater diversity and representation on the Board and Members Council including simplifying the election process and extending outreach initiatives. These endeavours resulted in 19 candidates, both writer and publisher, standing for election to the Members Council, an increase of 25% on the previous year. While there is clear evidence of progress, since 2020 female representation on the Members Council has doubled from 4 to 8, promoting diversity of voices and backgrounds across PRS for Music is an ongoing focus.

Throughout the year, PRS for Music continued to support and give a voice to organisations and individuals promoting greater equity, diversity and inclusion in the music industry. Continuing our long-standing partnership with Girls I Rate, a movement focussed on providing opportunities for young women in the creative industries, we delivered the GETHEARD Future Hitmaker Competition. While during Black History Month in October, PRS for Music hosted a special roundtable event which brought together leading industry professionals to celebrate Black culture, discuss the barriers that Black creatives and executives face, and explore the progress being made. The content produced from the roundtable discussion was PRS for Music’s most successful social media campaign of the year.

In 2022, PRS for Music committed to UK Music’s the Five Ps, which build on the foundations of the Ten-Point Plan. The plan focuses on people, policy, partnerships, purchase and progress, while providing a framework for change and charting progress across multiple protected or diverse characteristics.

Statement by the directors in in accordance with s172(1) Companies Act 2006
This statement sets out below how the board of directors of Performing Right Society Limited (PRS) have had regard to the matters set out in s172(1)(a-f) of the Act when performing their duty under section 172 of the Companies Act. This requires directors to act in the way they consider, in good faith, would be most likely to promote the success of PRS for the benefit of its members as a whole having regard (amongst other matters) to certain factors including likely long-term consequences, stakeholder interests and the desirability to maintain high standards of business conduct.

The PRS board of directors, referred to as the Members’ Council, is responsible for leading engagement with PRS’ members, is decision making in respect of membership strategy and policy, is responsible for driving efforts to ensure PRS leadership reflects the diversity of its members, oversees performance and approves the annual budget and Group strategy. Other than the Chief Executive Officer (CEO), all directors of the Members’ Council are non-executive directors, comprising writer members, publisher members and independent non-executive directors. PRS has three established committees which support the Members’ Council in carrying out its duties: Audit, Remuneration and Nominations Committees. In addition, PRS mandates certain authorities to its wholly owned subsidiary, PRS for Music Limited (PRS for Music), which is responsible for operational matters and which also has committees focused on licensing and distribution decisions and strategy. The PRS for Music Board and all PRS and PRS for Music committees are chaired by independent non-executive directors. As is usual with large companies, day to day management of PRS is carried out by an Executive Leadership Team (ELT) led by the CEO.

PRS promotes high standards of corporate governance throughout the organisation and holds regular scheduled meetings to consider matters within its terms of reference and relevant to the Group. Training sessions, briefings and clarification meetings are arranged to support Council Members understand complex issues and to enable informed decisions. The Members’ Council or PRS for Music Board may also establish sub-groups to consider individual matters. PRS is currently embedding new governance processes adopted following an in-depth external review and approved at the 2020 and 2021 Annual General meetings. The new governance processes are aimed at improving efficiency and effectiveness, increasing diversity and reducing cost and the transition is due to complete in 2024. During 2022, a Members’ Council Charter was adopted focusing on conduct, values and duties. Diversity of Council Members’ is monitored through completion of an annual survey. In early 2023, an effectiveness review of the Members’ Council, PRS for Music Board and committees was undertaken for the first time since the introduction of the new governance. The output will be assessed by the Members’ Council to identify recommendations and improvements for implementation in PRS.

In December 2022, Nigel Elderton retired as Chair of the Members' Council after 6 years in the role and 30 years as a director of PRS. Julian Nott, a writer Council Member, was appointed as the new Chair and Alex Kassner, a publisher Council Member, was appointed Deputy Chair from 1 January 2023. Michelle Escoffery was re-appointed as President of the Members' Council for a second two year term. There were two casual vacancies among writer Council Members during the year which resulted in the appointments of Laura Mvula in July 2022 and V V Brown in January 2023.

S172(1)(a) The likely consequences of any decision in the long term
The Members' Council focuses on keeping in touch with the needs of its members and this is central to its decision making. PRS' mission is to protect and grow the value of music rights entrusted to it and has as its code the fair and accurate distribution of royalties with market leading transparency. The vision is to achieve a £1 billion royalties distribution target by 2026 supported by revenue and efficiencies from internal processes and projects, cost to income below 10% from 2024 and innovation in our systems and strategic partnerships through data strategy and embracing new technology. To achieve the vision, in late 2021, the Members' Council approved a Five Year Plan which set out six strategic imperatives underpinned by actions and initiatives to 2026. The financial and capability requirements to enable delivery of the Five Year Plan were approved by the Members' Council in 2022. Financial performance is monitored and measured against the annual budget and Five Year Plan at every meeting and the CEO reports on progress against the strategic imperatives and corporate objectives, including key performance indicators. The Members' Council also observes market trends that could impact on policy and receives executive reports on international issues and other items of interest to PRS.

S172(1)(b) The interests of PRS' employees
The Members' Council recognizes the importance of attracting, retaining and motivating employees to deliver PRS's purpose, vision and long term success and health, safety and support for mental health and wellbeing is a priority. A key strategic imperative reviewed is to build a high performing and engaged team and the CEO updates the Members' Council on employee engagement at its meetings. The Members Council and PRS for Music Board supported the move to a new office hub in late 2021 which created a collaborative space for employees and allowed for flexible ways of working. A further 18,000 square feet opened in November 2022 with the design informed by employee feedback and surveys and the area divided into various behavioural zones to take account of the differing ways in which people work. The delivery of the PRS property strategy reduced the previous estate by 44% and has realised around a million pounds a year in savings for our members.

PRS holds monthly all-staff briefings led by the CEO, has an active employee forum, runs an annual engagement survey and provides a strong and varied programme of engagement and well-being activities for employees and is particularly mindful of cost of living pressures. PRS also engages with employee representatives as appropriate and is supported by its own branch of Unite (the largest union in the UK).

Equity, diversity and inclusion is a key agenda item for the Members' Council which receives updates on progress against PRS objectives, the UK Music 10 Point Plan and alignment with the 5Ps and gives feedback on the various employee initiatives. The corporate objectives were refined in 2022 and embedding a diversity and inclusion mindset included among them. Priorities for 2023 include reframing talent, recruitment training and a focus on neurodiversity. In January 2023, we published our Gender and Ethnicity Pay Gap report, which is the sixth time we have reported on the gender pay gap and the second time we have reported our ethnicity pay gap. Although not legally required to publish ethnicity pay gap data, we believe it is important that PRS is open and transparent about where we are and what we are doing both internally and externally with regards to diversity.

Through its committees and the PRS for Music Board senior management succession planning and development is reviewed. Significant consideration is given to senior management remuneration by PRS to ensure it is appropriate and consistent with the long term objectives of the Group. To recognise and drive individual performance, a new Annual Incentive Scheme was approved and launched in 2022 for all employees.

S172(1)(c) The need to foster PRS business relationships with suppliers, customers and others
The Members' Council and PRS for Music Board recognise the importance of effective engagement with their stakeholders in order to deliver the Five Year Plan and have regard to these relationships in their decision making.

Customer First is one of PRS's five values and is focused on delivering the best service we can by looking at things from our customers' point of view whether it is licensees or the wider collecting society network.

The Licensing Committee directs overall licensing strategy and policy, approves Broadcast, Online and Recorded Media licences and schemes within its delegated limits and reports on its decisions to the Members' Council and PRS for Music Board. In 2022, 33 deals were agreed with major UK Broadcast and Digital licensees.

The Members' Council and PRS for Music Board also monitor progress of their joint ventures which carry out activities and services on behalf of PRS. Responsible procurement is important to PRS and each year the Members' Council and PRS for Music Board review actions taken by the Group to support anti-slavery and human trafficking and approve a modern slavery statement which is published on the PRS for Music website.

S172(1)(d) The impact of PRS' operations on the community and the environment
The Members' Council is aware of the impact PRS has on the communities and the environment in which it operates in its decision making. During the year, the Members' Council approved bespoke donations and/or funding for its relationship charities the PRS Members Fund, which provides support to PRS members and their families who may be struggling financially or in need of other help, and the PRS Foundation, a funder of new music and talent development. PRS also recognises the impact and value of the Ivors Academy of Music Creators, the independent trade body for songwriters and composers in the UK to which it has also contributed financially.

Early in 2022, efforts were taken by PRS alongside the PRS Members' Fund to help assist Ukrainian members affected by the war with Russia, allowing more of them to access grants and receive funds quickly. Alongside this, the Members' Council approved a donation of £100,000 from PRS to the aid fund for Ukraine's war victims, an initiative established by ZAIKS (the Polish society of writers and composers) to enhance local charities and organisations which are supporting refugees from Ukraine in Poland, Hungary, Romania and Slovenia.

Among employees, PRS for the Community facilitates volunteering activities for employees, fundraises for partner charities and celebrates all charitable work.

PRS also recognises that climate change and sustainability are increasingly important to PRS stakeholders. Council members requested that sustainability be considered as part of the property strategy for the office re-location. A company wide sustainability strategy and policy is being developed.

S172(1)(e) The desirability of the company maintaining a reputation for high standards of business conduct
The Members' Council is committed to maintaining the reputation of PRS and the Group and high standards of conduct in all its business dealings. Integrity is one of PRS's five values to which our compliance activities are anchored. PRS's other values are pioneering, inclusive, customer first and collaboration. PRS has a Code of Conduct applicable to its members and to licensees which it upholds. The Audit Committee reviews and approves control measures and frameworks to maintain high standards of corporate conduct. The Group has in place a number of compliance policies including anti-bribery and corruption, whistleblowing and data privacy and requires relevant employees to undertake mandatory training and assessments. Council Members also undertake compliance training demonstrating their commitment to the PRS values.

S172(1)(f) The need to act fairly as between members of PRS
As a collection society, members are at the heart of PRS's business and are the reason that PRS exists. A crucial objective of the Members' Council is to ensure effective engagement with the membership. Results from our annual members survey are reviewed and considered by the Members' Council and PRS continues to make efforts to improve member experience. There is regular communication and interaction with its members through a number of channels including writer representatives and publisher briefings, genre specific member meetings and focus groups, outreach activities for new and upcoming members, our own member events and supporting other industry events.

To enable potential members increased accessibility to PRS and to support our strategy, during 2022 the Members' Council decided to introduce a reduced joining fee for writers under the age of 25 which will be implemented in 2023. PRS has continued to engage with and support members standing as candidates for Members' Council to encourage wider representation of the membership. Ballot and AGM voting processes have also been simplified to improve member experience and encourage engagement with PRS and its leadership. The President of the Members' Council, Michelle Escoffery, undertook further outreach work during the year to understand the main issues for members and their aspirations for PRS. This included hosting Members' Day events across the UK at which 1-2-1 member surgeries were very successful, a roundtable with industry leaders for Black History Month and collaborating on an initiative for a new mentoring scheme.

Energy consumption and sustainability
The Group remains committed to reducing its carbon footprint and the subsequent impact on climate change. Our sustainability measures are constantly reviewed and evolving as we continue to support and incentivise our employees through the below initiatives:

- Participation in the cycle to work scheme
- A digital-first approach to document and other information sharing in the first instance
- Hybrid office working
- A Season ticket loan scheme to support employees to commute to the office using public transport

In 2022, PRS reduced its carbon footprint by consolidating our Kings Cross and Streatham offices into a single central Hub located in London Bridge. The relocation was managed with environmental considerations and aligned to our commitment to promote sustainability, ensuring recycling and re-use wherever possible. This includes, for example, re-purposing more than 50% of the existing furniture into the new London Bridge Hub. During the closure of our Streatham office there was no furniture delivered to landfill, with 100% of monitor arms and office chairs either reused in the new London Bridge Hub, delivered to charitable partners or recycled via scrap metal.

In addition, PRS remains committed to dealing with waste responsibly and during the year recycled:

- Two tons of paper
- Three tons of plastics
- Two tons of Metal work, including desks
- Two and Half tons of tabletops

GHG emissions and energy use for 2022 financial year
We have reported on all of the emission sources required under The Streamlined Energy and Carbon Reporting Regulations (SECR) and the financial control approach has been used to determine which entities should be included in the data collection process.

Energy & Carbon conversion factors from the 'UK Government GHG Conversion Factors for Company Reporting' published annually by the UK Government have been used for calculation purposes, based on the fuel bills and travel logs received by the Group during the reporting period.

The below table summarises our annual carbon emissions for 2022. The intensity ratios used are Tonnes of CO2e per employee and Tonnes of CO2e per £m of revenue, which are considered to be appropriate for the nature of the Groups operations.

GHG emissions data for period 1 January 2021 to 31 December 2022

	2022		2021
	Amounts in units	Tonnes of CO2e	Tonnes of CO2e
Scope 1 & 2			
Purchase of electricity	553,268 kwh	129	155
Purchase of Gas	238,894 kwh	56	45
	Total	**185**	**200**
Scope 3			
Travel related activites	474,335 km	65	6
	Total	**65**	**6**
	Tonnes of CO2e	**250**	**206**
	Tonnes of CO2e per employee	**0.49**	**0.44**
	Tonnes of CO2e per £m of Revenue	**0.26**	**0.26**

It should be considered that 2021 did not represent a typical year for emissions, as Covid restrictions were still in place during the year resulting in office premises only being utilised for part of the year and limited business travel after the easing of lockdown restrictions. The benefits of our property strategy consolidating our Kings Cross and Streatham offices into a single central Hub has reduced CO2 emissions in the year by 15 Tonnes compared to 2021 through lower energy consumption. The reduction is much more significant when factoring that 2021 was not a typical year.

Overall, Tonnes of CO_2 has increased compared to 2021, driven by increased travel following the easing of travel restrictions late in the previous year. Tonnes of CO_2e per £m of Revenue has remained in line with 2021 due to the significant year-on-year increase in revenue. The CO_2e per employee has increased due to the higher travel in 2022 and is based on a higher employee population.

Due to the office relocation in 2022, the metrics reported still do not yet give us a clear view of normalised emissions across the group. PRS will continue to monitor its carbon emissions and in 2022 created the “Sustainability Group”, a working group to embed new ways of working and review current practices, policies and targets.
Our environmental strategy concentrates on applying more green practices and procedures designed to address climate change and sustainability. By investing in more environmental sustainability, there is an opportunity to reduce business risk, improve reputation as well as provide prospective cost savings.

The main strategies employed by the Group are:

- Recycling: Our offices are set up to encourage recycling and responsible disposal of waste products
- Reducing energy use across the Group wherever possible
- Sustainable procurement: Wherever possible, sustainability-oriented suppliers are chosen
- Awareness and responsible attitude: The employees are educated as to the need for awareness and responsibility through our corporate intranet and regular communications

Principal Risks and Uncertainties
The Audit Committee evaluates the risks and uncertainties that may affect the Group's performance and reports regularly back to the PfM Board and Members' Council. The Audit Committee met 4 times in 2022. The principal risks and uncertainties are detailed below.

Legislative risk
The nature of the Group’s activities in particular markets leads it into a number of areas of compliance risk. There is a sustained focus on ensuring compliance with UK and EU competition rules and with the General Data Protection Regulation (GDPR). Failure to comply with competition and data protection legislation can lead to significant fines. A committee is in place to oversee compliance across the Group and an ongoing programme of compliance measures is in place.

The Group is also subject to potential copyright law changes and given the changing nature of the industry this could have a significant impact on the Group’s revenue and operating procedures in the future.

Although the UK left the EU on 31 January 2020 and the transition period ended on 31 December 2020, there remains uncertainty as to the nature of the future relationship as negotiations continue. This could have a negative effect on PRS income, especially in Live music and so periodic reports are provided to the PfM Board and Members' Council as required. PRS has also met with the UK based broadcasters operating in the EU to reassure them that PRS can, and will, continue to license their services.

Competitive risk
Changing working practices are opening up the market to more competition from societies and other organisations and the Group is at the forefront of these changes, actively seeking solutions to respond effectively to increased competition.

Covid-19 and Cost of living crisis risk
Management have made a full assessment of the residual impact of Covid-19 and the cost-of-living crisis and inflation on the business, and this has been disclosed in the S172 statement and the Directors' report.

Financial instrument risks
The Group has in place a framework to ensure that it has sufficient financial resources to meet its objectives and to manage financial risk. Foreign exchange risk is minimised through the timely exchange of foreign currency receipts for sterling and forward foreign exchange contracts are used to manage the exposure of non-sterling loans. Interest rate risk is managed by avoiding investing cash for periods of greater than 12 months. The use of financial derivatives is governed by the Group’s policies approved by the PfM Board and Members' Council, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Fraud risk
Criminal activities such as cybercrime, as well as the internal and external attempts at defrauding companies, are a constant threat. There is a risk that data could be illegally leaked, accessed or used and customers could be prevented from accessing required systems or funds could be misappropriated, resulting in damage to reputation as well as loss of member income. Controls and awareness programmes are in place and a fraud response plan has been created for dealing with incidents of fraud or suspected fraud. Additional bespoke business processes and associated tools are being developed to provide extra levels of assurance in advance of each distribution.

Exposure to price, credit and liquidity risk
Price risk for the Group arises where new licence schemes are challenged. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, with well-established credit control processes and a requirement that deferred terms are only granted to licensees who demonstrate an appropriate payment history and satisfy credit checking procedures, or with which the Group is actively in negotiations. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation. In addition, royalties are only distributed once collected and the Group holds substantial cash balances.

Cyber Security
The last twelve months have seen a significant increase in the cyber threat environment across all industries. Protecting the data held on behalf of members, customers, partners, suppliers, societies and employees and ensuring the continued operation of the business is critical to maintaining the reputation of the Group. In addition to the existing cyber control framework, a multi-year cyber security transformation programme has been launched to further enhance the Group’s defences against, and ability to respond to, a cyber-attack.

Changing technology
With the increasing move towards digital usage of music, there is uncertainty over the future market for music and the implications on the costs of administering licences. These changing technologies will offer new market opportunities and active review of existing and potential new streams is a key area of focus for the Group. The Board and the Audit Committee are fully aware of the pressures and opportunities this changing market imposes on the future of the business and are acting accordingly to optimise beneficial effects where possible.

Royalty distribution – accuracy and timeliness
The exponential year-on-year growth in the volume of data handled by the Group presents an ongoing risk to the accuracy and timeliness of royalty distributions to the Membership. To mitigate the risk, an IT programme is underway to enhance the data processing capabilities of the systems that underpin royalty distributions, with the foundation stage implemented in 2021, and additional layers of assurance have already been successfully embedded into the business process.

Future developments
Revenue for 2023 is expected to increase upon 2022 underpinned by our strategy and building on the successful performance of this year, however, due to the residual impacts of Covid-19 and the difficult economic situation it is possible some sectors may still not achieve full recovery to 2019 revenue levels.

The Group is cognisant of future changes to the UK Corporate Governance landscape and that it may be impacted by new regulations being considered by the Government for Public Interest Entities, following the Department for Business, energy and Industrial strategy (BEIS) consultation in 2021. Although many of the regulations will not apply to PRS directly, the Group continues to monitor progress in this area and will act appropriately and proportionately to any risks identified.

Authorised on behalf of the Board

Julian Nott

....
Julian Nott
Director
30 March 2023

The directors present their annual report and the audited financial statements for the Group and the Company for the year ended 31 December 2022.

Principal activities

The principal activity of the Group is the aggregation and licensing of the performing rights vested in it by its members and affiliated societies, and the collection and distribution of the resulting royalties. The Company represents over 160,000 members collecting royalties from various sources, including from live performance, television and radio broadcasts, and streaming.

The principal activity of the Company's subsidiary, PRS for Music Limited ("PfM"), is to provide operational services to the Company and to act as a service provider to Mechanical-Copyright Protection Society Limited ("MCPS").

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Writers

F Bevan	(resigned 28 October 2022)	D Masters	
B Blue	(resigned 25 May 2022)	L Mvula	(appointed 26 July 2022)
V Brown	(appointed 4 January 2023)	J Nott	
M Escoffery-Ojo		P Pope	
T Gray		J Simmonds	
C Hunt		P Woodroffe	
S Levine	(resigned 25 May 2022)		

Publishers

J Alway		A Kassner	
J Andersen		R King	(resigned 25 May 2022)
S Anderson	(resigned 25 May 2022)	D Lang	(appointed 25 May 2022)
A Bebawi		J Minch	
C Butler	(resigned 25 May 2022)	R Paine	(appointed 25 May 2022)
N Elderton	(resigned 31 December 2022)	S Platz	
N Gilroy	(appointed 25 May 2022)		

Independent Directors

S Davidson
E Ingham
G Mansfield
T Toumazis

Executive Director

A Czapary Martin

Nigel Elderton continued in the position of Chair during 2022, with Dru Masters as Deputy Chair (Writer) and Michelle Escoffery-Ojo as President.

Results and dividends
The results for the year are set out on page 20.

No interim dividends were paid. The directors do not recommend payment of a final dividend (2021: £nil).

Items covered in the Strategic report
The following items required by law to be included in the Directors Report have been covered in the Strategic report: Section 172(1) Statement, Energy & Carbon statement, Principal risks and uncertainties and Future developments.

Qualifying third party indemnity provisions
The Group has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 S234. Such qualifying third party indemnity provision was in force during the financial year and at the date of approving the Directors' report.

Political donations
There were no political donations made during the year (2021 - £nil).

Disabled persons
The Group complies with the requirements of the Equality Act of 2010 and is keeping its employment policies and procedures under review to ensure that disabled persons are not treated any less favourably than able-bodied persons in regards to applications, employment, training and career development. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development wherever appropriate.

Equal opportunity
The Group actively pursues a policy of providing equal opportunity to all its employees for internal training, development and promotion, and to applicants for employment. It does so without regard to colour, creed, ethnic origins, gender or any other grounds.

Employee involvement
The Group recognises the importance of keeping employees informed of all developments regarding the Group's work and progress and to this end, copies of all the publications produced by the Group are freely available to all employees.

To achieve a common understanding and awareness amongst all employees of the Group's plans, an extensive briefing and consultation process operates.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

In the case of each director in office at the date the Directors’ report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and Company’s auditor are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and Company’s auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte as auditor will be proposed at the forthcoming Annual General Meeting.

Going concern
The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report. There is an agreed plan to reduce the Group deficit over time, while maintaining the maximum distributions to our members. This is actioned through the setting of administration rates, over which the PRS board exercises ultimate control and through control of the amounts charged by PfM to PRS. While the Group has a net deficit on its reserves, the Articles of PRS permit the retention from out of revenues of such amounts as are necessary for the expenses of the Company. The directors believe that the Group is well-placed to manage its business risks, given it has considerable financial resources including cash balances and short-term deposits of £210,960,000 (2021 - £180,894,000) at the year end and only makes distributions when monies have been received, and hence believe the Group and Company are a going concern.

The Group Statement of financial position reflects the impact of assuming £25,197,000 of historic liabilities when the MCPS-PRS Alliance dissolved in 2013. As a result, the Group has a net deficit of £36,194,000 at 31 December 2022 (2021 – £13,338,000). This has increased from 2021 mainly due to the defined benefit scheme surplus moving back to a net deficit position of £4,848,000 from a net surplus of £20,901,000. PfM and the trustees of the pension schemes have agreed a recovery plan which includes an annual Group contribution of £2.5m through to 2030, with the intention of both schemes achieving self-sufficiency by December 2032. There is also an investment strategy in place to reduce future volatility.

The directors have also considered the status of its joint ventures and associate undertakings:

ICE Operations is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year to 31 December 2022 was £1,087,000 (2021 – profit of £115,000). ICE Operations is forecasting to cover its costs in future years and repay its loan finance over 10 years. At the year end, the value of the loans to be repaid by ICE Operations was £10,718,000 (2021 - £8,968,000) and the value of the equity investment was £2,958,000 (2021 - £2,958,000).

ICE Services is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year to 31 December 2022, after offsetting any final adjustments from the previous year, was £3,212,000 (2021 – profit of £3,320,000). ICE Services is forecasting to continue to be profitable in future years. At the year end, the value of loans to be repaid by ICE Services was £nil (2021 - £nil) and the value of the equity investment was £100,000 (2021 - £100,000).

SOLAR is fully and equally supported by its shareholders. The Group's share of the loss for the year to 31 December 2022 was £392,000 (2021 – profit of £480,000). At the year end, the value of loans to be repaid by SOLAR was £429,000 (2021 - £429,000) and there was no equity investment (2021 - £nil).

NMP is fully and equally supported by its shareholders. The Group's share of the result to be recognised in the year to 31 December 2022, before any cost reduction adjustments for 2022 and after including any final cost adjustments from the prior year, was a profit of £326,000 (2021 – loss of £134,000). The value of the equity investment at the year-end was £960,000 (2021 - £976,000). At the year end, the value of the loans to be repaid by NMP was £nil (2021 - £nil).

PPL - PRS is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year to 31 December 2022 was £271,000 (2021 - £282,000). PPL - PRS is forecasting to make profits in future years and repay its loan finance over 10 years from the date of commencement of licensing activities in the joint venture. At the year end, the value of loans to be repaid by PPL - PRS was £4,829,000 (2021 - £9,738,000) and the value of the equity investment was £50,000 (2021 - £50,000).

The directors do not believe it is appropriate to prepare downside scenarios, given the nature of the business and its cashflows and distribution policies. Therefore, after making enquiries and considering any subsequent events, the directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Covid-19
In response to the ongoing residual impacts of Covid-19, the Group defined its guiding principles as to protect the livelihood and safety of our employees in the first instance, in order to maintain services and key activities to ensure the livelihoods of the members we represent. During 2022 this has included the continuation of staff working effectively from home and continuing to review and improve processes and methods of operation, alongside the safe opening of a new office space for hybrid working in line with government guidelines. The collective efforts have enabled the distribution of royalties in line with published schedules, the continuation of support mechanisms for those in need and the maintenance of core services to members.

The result of this, and ongoing reviews of the situation, is that the directors remain confident that the Group will have sufficient funds to continue its operations as a going concern, but will continue to look at ways to maximise cash levels as would be expected. In 2022 the Group made no use of government support schemes (2021: £nil).

Events after the balance sheet date
There are no events which require adjustments to the financial statements.

Research and development
During 2022, the Group continued projects to develop its intangible assets.

Corporate governance
The Company's Board of Directors (known as Members' Council) is ultimately responsible for the governance of the Company. The Company has a corporate governance framework in place, including matters reserved for Board and Members' Council approval and a scheme of delegated authority. There are to be three scheduled Members' Council meetings during each year, along with a number of other meetings with senior management, during which matters of strategic, commercial, operational and financial importance are discussed. Board meetings are supported by a robust level of reporting from the Company's executive management team, in the form of written papers and presentations at each meeting. The Members' Council delegates much of the business decision-making to the PfM Board in accordance with agreed mandates. PfM is an operational services company which has been a wholly-owned subsidiary of the Company since 1 July 2013.

Financial risk management
The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The management of principal risks and uncertainties is disclosed within the Strategic report, as permitted under s414C(11) of the Companies Act 2006.

Authorised on behalf of the Board

Julian Nott
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Julian Nott
Director
30 March 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERFORMING RIGHT SOCIETY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Performing Right Society Limited (the 'Company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Income statement;
- the Consolidated Statement of comprehensive income;
- the Consolidated and Company Statements of financial position;
- the Consolidated and Company Statements of changes in equity;
- the Consolidated Statement of cash flows; and
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Statement of directors' responsibilities

As explained more fully in the directors’ responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group’s and the parent Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group’s industry and its control environment, and reviewed the Group’s documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory framework that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Streamlined Energy & Carbon Reporting regulations.

We discussed among the audit engagement team and relevant internal specialists such as tax, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

Completeness of accrued income relating to online revenues:

- we have evaluated the design and implementation of relevant controls associated with the completeness of online revenue;
- we have traced a sample of accrued balances to contract and recalculated the balances; and
- we have challenged estimations made by management at the year-end by taking account of historical billing and settlements and checking historical estimation accuracy

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Report on other legal and regulatory requirements (continued)

In the light of the knowledge and understanding of the Group and of the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kate Darlison

Kate Darlison (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

30 March 2023

PERFORMING RIGHT SOCIETY LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Revenue	**3**	963,972	777,116
Licensing and administrative expenses		(107,743)	(100,366)
Other operating income		14,420	13,163
Operating profit	**4**	870,649	689,913
Other investment income	**8**	2,469	1,001
Finance Income/(Costs)	**9**	1,574	(341)
Amounts appropriated - donations		(2,692)	(2,749)
Share of profit from joint ventures	**13**	4,509	4,063
Profit before taxation and funds attributable to members and affiliated societies		876,509	691,887
Funds attributable to members and affiliated societies		(869,688)	(684,730)
Profit before taxation		6,821	7,157
Taxation	**10**	(5,379)	4,616
Group profit after taxation and funds attributable to members and affiliated societies		1,442	11,773

The Consolidated Income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 28 to 59 form an integral part of these financial statements.

PERFORMING RIGHT SOCIETY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Group profit after taxation and funds attributable to members and affiliated societies		1,442	11,773
Actuarial (loss)/gain on defined benefit pension schemes	**23**	(30,073)	43,917
Foreign exchange gain/(loss) on joint venture investments		396	(252)
Deferred tax on actuarial variances		5,379	(5,379)
Total comprehensive (expense)/income relating to the year		(22,856)	50,059

The notes on pages 28 to 59 form an integral part of these financial statements.

PERFORMING RIGHT SOCIETY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		2022		2021	
	Note	**£000**	**£000**	**£000**	**£000**
Fixed assets					
Intangible assets	**11**		15,995		19,603
Tangible assets	**12**		5,807		5,890
Investments	**13**		11,695		6,802
Defined benefit pension surplus	**23**		1,101		25,218
			34,598		57,513
Current assets					
Trade and other receivables: amounts falling due after more than one year	**18**	14,786		14,871	
Trade and other receivables: amounts falling due within one year	**18**	189,873		145,469	
Investments - short-term deposits	**21**	125,444		120,841	
Cash at bank and in hand		85,516		60,053	
		415,619		341,234	
Creditors: amounts falling due within one year	**20**	(477,848)		(405,017)	
Net current liabilities			(62,229)		(63,783)
Total assets less current liabilities			(27,631)		(6,270)
Provisions for liabilities	**22**		(2,614)		(2,751)
Net liabilities excluding pension liability			(30,245)		(9,021)
Defined benefit pension liability	**23**		(5,949)		(4,317)
Net liabilities			(36,194)		(13,338)
Total reserves - deficit			(36,194)		(13,338)

The financial statements on pages 21 to 59 were approved by the Board of Directors and authorised for issue on 30 March 2023 and are signed on its behalf by:

Julian Nott
....
Julian Nott
Director
Company Registration No. 00134396

The notes on pages 28 to 59 form an integral part of these financial statements.

PERFORMING RIGHT SOCIETY LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Current assets					
Trade and other receivables: amounts falling due after more than one year	**18**	1,752		2,578	
Trade and other receivables: amounts falling due within one year	**18**	237,019		202,080	
Investments - short-term deposits	**21**	120,250		115,750	
Cash at bank and in hand		72,699		49,567	
		431,720		369,975	
Creditors: amounts falling due within one year	**20**	(435,279)		(373,534)	
Net current liabilities			(3,559)		(3,559)
Total reserves - deficit			(3,559)		(3,559)

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company income statement. The profit before taxation and funds attributable to members and affiliated societies for the Company for the year was £869,688,000 (2021: £684,730,000).

The financial statements on pages 21 to 59 were approved by the Board of Directors and authorised for issue on 30 March 2023 and are signed on its behalf by:

Julian Nott

....

Julian Nott

Director

Company Registration No. 00134396

The notes on pages 28 to 59 form an integral part of these financial statements.

PERFORMING RIGHT SOCIETY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Total Reserves £000
Opening reserves at 1 January 2021		(63,397)
Year ended 31 December 2021:		
Group profit after taxation and funds attributable to members and affiliated societies		11,773
Other comprehensive income:		
Actuarial gain on defined benefit plans	**23**	43,917
Foreign exchange loss on investments		(252)
Deferred tax on actuarial differences		(5,379)
Total comprehensive income for the year		50,059
Closing reserves at 31 December 2021		(13,338)
Year ended 31 December 2022:		
Group profit after taxation and funds attributable to members and affiliated societies		1,442
Other comprehensive income:		
Actuarial loss on defined benefit plans	**23**	(30,073)
Foreign exchange gain on investments	**13**	396
Deferred tax on actuarial differences		5,379
Total comprehensive expense for the year		(22,856)
Closing reserves at 31 December 2022		(36,194)

The notes on pages 28 to 59 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Total Reserves £000
Opening reserves at 1 January 2021	(3,559)
Year ended 31 December 2021:	
Total comprehensive income for the year	-
Closing reserves at 31 December 2021	(3,559)
Year ended 31 December 2022:	
Total comprehensive income for the year	-
Closing reserves at 31 December 2022	(3,559)

The notes on pages 28 to 59 form an integral part of these financial statements.

PERFORMING RIGHT SOCIETY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	£000	2022 £000	£000	2021 £000
Cash flows generated from/(used in) operating activities					
Cash generated from operations	**28**		854,685		704,741
Amounts paid to members and affiliates			(825,173)		(662,512)
Finance costs received/(paid)			-		(341)
Net cash inflow from operating activities			29,512		41,888
Cash flows from investing activities					
Purchase of intangible assets		(3,406)		(5,839)	
Purchase of tangible assets		(3,541)		(2,291)	
Interest received		2,568		1,200	
Repayments from joint venture loans		5,337		3,251	
Draw downs on loans to joint ventures		(2,138)		(1,434)	
Redeemed from deposits held > 3m		-		20,000	
Net cash flows (used in)/generated from investing activities			(1,180)		14,887
Cash flows from financing activities					
Defined benefit pension contributions paid		(2,750)		(3,500)	
Net cash flows used in financing activities			(2,750)		(3,500)
Net increase in cash and cash equivalents			25,582		53,275
Cash and cash equivalents at beginning of year			180,894		132,663
Effect of foreign exchange rates			4,484		(5,044)
Cash and cash equivalents at end of year			210,960		180,894
Represented by:					
Investments held < 3 months			125,444		120,841
Cash at bank and in hand			85,516		60,053
			210,960		180,894

Deposits held for 3 months or less are shown as cash and cash equivalents. In addition to cash and cash equivalents held above, the Group holds £nil (2021 - £nil) in deposit accounts greater than 3 months. The notes on pages 28 to 60 form an integral part of these financial statements. The Company has elected to take the exemption under FRS102, paragraph 1 - 12 (b) not to present the Company Statement of cash flows.

1 Accounting policies

Company information
Performing Right Society Limited ("the Company") is a company limited by guarantee, domiciled and incorporated in England and Wales, United Kingdom. The registered office is Goldings House, 2 Hays Lane, London, SE1 2HB, United Kingdom.

Statement of compliance
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

Basis of preparation
The financial statements are prepared in sterling, which is the functional currency of the Group and Company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared on the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted, which have been consistently applied to all the years presented, are set out below.

Format of Income statement and Statement of financial position
The formats of the Income statement and Statement of financial position have been adapted from that prescribed by the Companies Act 2006 in order to better reflect the nature of the business.

Definitions:
'PRS' means Performing Right Society Limited.
'PfM' means PRS for Music Limited.
'MCPS' means Mechanical-Copyright Protection Society Limited.
'ICE Operations' means ICE Operations AB.
'ICE Services' means International Copyright Enterprise Services Limited.
'NMP' means Network of Music Partners A/S.
'SOLAR' means SOLAR-Music Rights Management Limited.
'PPL - PRS' means PPL PRS Limited.
'PPL' means Phonographic Performance Limited.
'GEMA' means Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte, a German collecting society.
'STIM' means Svenska Tonsättares Internationella Musikbyrå, a Swedish collecting society.

Accounting convention
The Group financial statements consolidate the financial statements of Performing Right Society Limited and all its subsidiary undertakings drawn up to 31 December each year. As permitted by s408 Companies Act 2006, the Company has not presented its own Income statement and Statement of cash flows.

Entities in which the Group holds an interest on a long-term basis and are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. Entities, other than subsidiary undertakings or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the Group exercises a significant influence are treated as associates.

Basis of consolidation
The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the result of its joint ventures made up to 31 December. Associates which have been assessed as being immaterial to the Group, are accounted for at cost. In the Company financial statements investments in subsidiaries, joint ventures and associates are accounted for at the lower of cost and net realisable value.

1 Accounting policies **(Continued)**

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report. There is an agreed plan to reduce the Group deficit over time, while maintaining the maximum distributions to our members. This is actioned through the setting of administration rates, over which the PRS board exercises ultimate control and through control of the amounts charged by PfM to PRS. While the Group has a net deficit on its reserves, the Articles of PRS permit the retention from out of revenues of such amounts as are necessary for the expenses of the Company. The directors believe that the Group is well-placed to manage its business risks, given it has considerable financial resources including cash balances and short-term deposits of £210,960,000 (2021 - £180,894,000) at the year end and only makes distributions when monies have been received, and hence believe the Group and Company are a going concern.

The Group Statement of financial position reflects the impact of assuming £25,197,000 of historic liabilities when the MCPS-PRS Alliance dissolved in 2013. As a result, the Group has a net deficit of £36,194,000 at 31 December 2022 (2021 – £13,338,000). This has increased from 2021 mainly due to the defined benefit scheme surplus moving back to a net deficit position of £4,848,000 from a net surplus of £20,901,000. PfM and the trustees of the pension schemes have agreed a recovery plan which includes an annual Group contribution of £2.5m through to 2030, with the intention of both schemes achieving self-sufficiency by December 2032. There is also an investment strategy in place to reduce future volatility.

The directors have also considered the status of its joint ventures and associate undertakings:

ICE Operations is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year to 31 December 2022 was £1,087,000 (2021 – profit of £115,000). ICE Operations is forecasting to cover its costs in future years and repay its loan finance over 10 years. At the year end, the value of the loans to be repaid by ICE Operations was £10,718,000 (2021 - £8,968,000) and the value of the equity investment was £2,958,000 (2021 - £2,958,000).

ICE Services is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year to 31 December 2022, after offsetting any final adjustments from the previous year, was £3,212,000 (2021 – profit of £3,320,000). ICE Services is forecasting to continue to be profitable in future years. At the year end, the value of loans to be repaid by ICE Services was £nil (2021 - £nil) and the value of the equity investment was £100,000 (2021 - £100,000).

SOLAR is fully and equally supported by its shareholders. The Group's share of the loss for the year to 31 December 2022 was £392,000 (2021 – profit of £480,000). At the year end, the value of loans to be repaid by SOLAR was £429,000 (2021 - £429,000) and there was no equity investment (2021 - £nil).

NMP is fully and equally supported by its shareholders. The Group's share of the result to be recognised in the year to 31 December 2022, before any cost reduction adjustments for 2022 and after including any final cost adjustments from the prior year, was a profit of £326,000 (2021 – loss of £134,000). The value of the equity investment at the year-end was £960,000 (2021 - £976,000). At the year end, the value of the loans to be repaid by NMP was £nil (2021 - £nil).

PPL - PRS is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year to 31 December 2022 was £271,000 (2021 - £282,000). PPL - PRS is forecasting to make profits in future years and repay its loan finance over 10 years from the date of commencement of licensing activities in the joint venture. At the year end, the value of loans to be repaid by PPL - PRS was £4,829,000 (2021 - £9,738,000) and the value of the equity investment was £50,000 (2021 - £50,000).

The directors do not believe it is appropriate to prepare downside scenarios, given the nature of the business and its cashflows and distribution policies. Therefore, after making enquiries and considering any subsequent events, the directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1 Accounting policies **(Continued)**

Revenue

Operating fees receivable
Revenue relates to the provision of operating services to third parties and is accounted for on an accruals basis, so that income is recognised in the period to which it relates.

Licence revenue
Licence revenue is recognised gross, in line with the Group's judgement that it is the Principal in its arrangements with its members.

Broadcasting and Public Performance revenue is accounted for on an accruals basis over the period of the contract, so that income is recognised in the period to which it relates.

Online revenue is recognised over the period to which the licence or usage relates. Where online revenue is invoiced on a minimum guarantee basis, the recognition will ultimately be based on usage.

Income from overseas collecting societies is recognised in the period in which it is received or it becomes virtually certain of being received and is recognised net of non-refundable withholding tax deductions.

Where income is received as a result of audit activities it is recognised net of associated costs.

Interest income
Interest income is recognised on an accruals basis when the Group’s right to receive payment have been established, provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Foreign exchange
Company
Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the Income statement for the period.

Group
The financial statements are translated at the rate of exchange ruling at the Statement of financial position date. The exchange differences arising on the retranslation of opening net assets are taken directly to reserves. All other differences are taken to the Income statement for the period.

Funds attributable to members and affiliated societies
Funds attributable to members and affiliated societies represents the royalty income earned and recognised in the period, for rights licensed by the Company and net of operating costs, available to be distributed to members and affiliates of the society. These amounts are not allocated to individual members until payment of the royalties takes place. The deduction for the amounts attributable to the members and affiliates, some of which will not be allocated and distributed until a future period, is taken through the Consolidated Income statement.

Leases
Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group are capitalised in the Statement of financial position and are depreciated over their useful lives.

Leases that do not transfer all of the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the Income statement on a straight-line basis over the lease term. Lease incentives are credited to the Income statement, to reduce the lease expense, on a straight-line basis over the lease term.

1 Accounting policies **(Continued)**

Intangible fixed assets other than goodwill

Computer software and internally generated software costs are stated at cost less accumulated amortisation and accumulated impairment losses. Internally generated software costs, which are predominantly the staff costs of individuals contributing to the development of the asset, are capitalised as intangible assets when technical feasibility, control of the asset and future economic benefits have been established.

Where factors, such as technological advancement or changes in market price, indicate that the residual value or useful life have changed, the residual value, useful economic life ("UEL") or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be changed. Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following straight line basis:

Software	3 - 7 years

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets acquired at a cost of more than £1,000, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset on a straight line basis as follows:

Leasehold land and buildings and building improvements	shorter of lease term and 40 years
Systems and equipment	3 - 7 years

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Operating profit/(loss)'.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

1 Accounting policies (Continued)

Non-current investments
Investments are valued at cost less provisions where, in the opinion of the directors, there has been impairment in value.

The carrying values of the investments are reviewed for impairment in the reporting period, if events or changes in circumstances indicate the carrying value may not be recoverable.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the Group has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Impairment of non-current assets
At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks. Other deposits, held for greater than 3 months, are classed as current assets but are excluded from cash as cash equivalents as disclosed in the Consolidated statement of cash flows.

1 Accounting policies **(Continued)**

Financial instruments

The Group has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, amounts due to members and affiliated societies and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Amounts due to members and affiliated societies represent net obligations to pay out royalties collected for rights licensed by the Company.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

1 Accounting policies (Continued)

Derivatives

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

Any hedge arrangements are limited to foreign currency loans and do not meet the criteria for hedge accounting.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the reporting end date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the reporting end date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the reporting end date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting end date.

Withholding tax

Withholding tax is a complex issue that requires analysis of domestic legislation, double tax treaties and the submission of forms and documents to relevant payers and tax authorities. Due to the inherent complexities, there is a risk that not all withholding tax has been accounted for correctly. The Group therefore continues to consult with tax specialists on a regular basis to consult and review the tax structuring arrangements. The Group only recognises refundable withholding taxes as revenue in the Income Statement when it is virtually certain that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

1 Accounting policies (Continued)

Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The Group has recognised a constructive obligation relating to litigation at the Statement of financial position date. The obligation has been calculated by estimating the most likely course of action pertaining to two litigation cases. It is expected that most of these costs will have been incurred within one year of the Statement of financial position date.

The Group has recognised a provision for the estimated cost of returning its leasehold property in London Bridge to the original condition at the end of the lease.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets. The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received. Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies (Continued)

Retirement Benefits

Defined benefit pension plan

The Group operates two defined benefit pension schemes, both of which require contributions to be made to separately administered funds. The MCPS-PRS Alliance Pension Scheme (MCPS) was closed to new entrants from 1 January 1999 and The MCPS-PRS Alliance Pension Scheme was closed to new entrants from 1 January 2003. The Schemes closed to future accrual on 31 December 2010 with all remaining active members at that point becoming deferred members and losing the link to final salary.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in the Income statement on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss that is recognised in the Income statement. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost represents the change in present value of scheme obligations over time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest costs is recognised in the Income statement as other finance income or expense.

Actuarial gains and losses are recognised in full in the Statement of comprehensive income in the period in which they occur.

The defined benefit pension surplus or liability in the Statement of financial position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair-value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. Under FRS102, the Group is permitted to recognise a defined benefit pension surplus if the rules of the scheme entitle the Group to recover the surplus either through reduced contributions in the future or through refunds from the plan. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Defined contribution pension plan

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2 Judgements and key sources of estimation uncertainty

Critical judgements and estimates

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Judgements

Principal versus Agent

PRS has determined that, by virtue of it being the legal owner of the rights that are being exploited, it is the Principal party in its agreements with its members and as such the financial statements have been prepared on this basis with the full gross royalty revenues accounted for as revenue in the Income Statement. When making this assessment, PRS has considered that it is a condition of membership that members assign the ownership of the performing rights in their musical works to PRS throughout their term of membership, subject to the provisions of PRS' Constitution, and that PRS is entitled to exercise independent decision-making and discretion in relation to the royalty sums it receives, including decisions relating to their distribution, investment, and application for the purposes of PRS business activities.

Funds attributable to members and affiliated societies

Funds attributable to members and affiliated societies is the recognised royalty income for the period that could be considered as distributable, after deduction of certain costs. It is management's judgement that the amounts that are distributed to individual members and affiliated societies, after the application by the society of its various distribution policies, are intrinsically linked to and conditional upon their respective roles as authors and/or publishers or (in the case of an affiliated society) other person interested in the various copyright works of the intellectual property rights in which they have each assigned or mandated to PRS. These are not payments made to such person by virtue only of their being members (i.e. owners) of the Society in company law, therefore the deduction for funds attributable to members and affiliated societies is presented in the Income Statement.

Key sources of estimation uncertainty

Retirement benefit schemes

The Group has an obligation to pay pension benefits to members of the defined benefit pension schemes. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, inflation, asset valuations and the discount on corporate bonds. Management estimates these factors in determining the net pension obligation on the Statement of financial position and these estimates are based on recommendations from the Group's actuary, Aon. See note 23 for the disclosures relating to the defined benefit pension schemes.

Impairment of receivables

The Group makes an estimate of the recoverable amount of trade and other receivables. When assessing the carrying value of trade and other receivable, management considers the existence or likelihood of any conditions relating to invoices, which may be required to be deducted from revenue, as the group would not end up being entitled to receive license revenue for the period invoiced for. When assessing impairment of trade and other receivable, management considers factors including the current credit rating of the receivable, the ageing profile of the receivable, historical experience and any other evidence or knowledge of current issues that the Group is experiencing. During the year, an adjustment has been made to revenue of £4m for reflecting management's judgement of those items where the group would not be entitled to recognise the revenue. A provision of £18.9m is held in respect of the impairment of receivables. See note 18 for the net of the carrying amount of receivables and associated impairment provision.

3 Revenue

An analysis of the Group's revenue is as follows:

	2022	2021
	£000	£000
Revenue		
Public Performance	228,892	137,603
Broadcast	128,705	129,282
Online	333,964	267,823
International	272,411	242,408
	963,972	777,116

International revenue is stated net of £7,310,036 non-refundable withholding tax deductions (2021 - £3,864,000).

Revenue analysed by geographical market

	2022	2021
	£000	£000
United Kingdom, Channel Islands and Isle of Man	408,241	307,616
Europe	428,246	362,689
North America	84,187	68,721
Asia	15,479	15,875
Central and South America	8,849	5,058
Australasia	15,735	13,408
Africa and Middle East	3,235	3,749
	963,972	777,116

4 Operating profit

	2022	2021
	£000	£000
Operating profit for the year is stated after (crediting)/charging:		
Exchange (gain)/loss	(4,484)	5,044
Depreciation/amortisation of fixed assets	7,554	7,751
Loss on disposal of tangible assets	2,697	5,345
Loss on disposal of intangible assets	387	1,170
Operating lease charges	220	667

5 Auditors' remuneration

Fees payable to the Group's auditor and its associates:	2022 £000	2021 £000
For audit services		
Audit of the financial statements of the Group and parent company	65	57
Audit of the Company's subsidiaries	132	139
	197	196
For other services		
Other audit related services	28	26

6 Employees

The average monthly number of persons (excluding Board directors) employed by the Group during the year was:

	2022 Number	2021 Number
Licensing	49	44
Distribution and membership	156	163
Support services	279	260
	484	467

All employee costs are incurred by the Group and are presented below. There are no Company employees. Employee costs, including the CEO as the highest paid Director, have increased in 2022 due to the uplift in headcount and the higher cost of the company-wide incentive scheme compared to 2021.

Their aggregate remuneration comprised:

	2022 £000	2021 £000
Wages and salaries	32,823	27,763
Social security costs	3,766	3,182
Other pension costs	1,732	1,639
	38,321	32,584

7 Directors' remuneration

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Remuneration for qualifying services:					
Chair	65	63	62	63	61
Other non-executive Directors	728	687	461	462	445
CEO	949	702	398	1,371	870
Pension contributions	33	33	33	41	33
	1,775	1,485	954	1,937	1,409
Number of:					
non-executive Directors	23	25	26	24	24
CEO's	1	1	1	2	1

The number of directors stated above also includes the directors of PRS for Music Limited. The number of directors for whom retirement benefits were accruing under defined contribution schemes during the year amounted to 1 (2021 - 1). No directors (2021 - none) were members of the defined benefit schemes.

The directors are considered the key management personnel of the company. Remuneration disclosed above includes amounts paid to non-executive directors and the CEO, who was the highest paid director in the year. The fees of the independent non-executive directors are included in the PRS disclosure, to reflect the governance changes made in late 2020.

The nature of the role makes it impossible to be specific about the maximum time commitment as unexpected matters may arise from time to time. The annual fees paid and approximate expected time commitments for the different categories of non-executive directors are set out below:

- Writer President, annual fee of £46,350 for an expected time commitment of an average of 4 days per month
- Members’ Council Chair, annual fee of £65,119 for an expected time commitment of an average of 4 days per month
- Members Council Deputy Chair, annual fee of £45,826 for an expected time commitment of an average of 4 days per month
- PfM Board Chair, annual fee of £112,579 for an expected time commitment of 5-6 days per month (for both Members’ Council and Board responsibilities)
- Independent non-executive directors (excluding PfM Board Chair), annual fee of £49,679 - £49,812 for expected time commitments varying from 16-20 days per year, including Committee Chair and PfM Board responsibilities
- Writer & Publisher non-executive directors – Members Council only, annual fee of £17,501 for an expected time commitment of 8-10 days per year
- Writer & Publisher non-executive directors – Members Council and PfM Board, annual fee of £28,938 for an expected time commitment of 14-20 days per year

During 2022, the actual time incurred by many of the directors listed above exceeded the approximate expected time commitment.

7 Directors' remuneration (Continued)

Remuneration paid to the highest paid director:

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Remuneration for qualifying services:					
Salary	471	404	398	245	404
Bonus and other benefits	478	298	-	452	466
Compensation for loss of office	-	-	-	294	-
Pension contributions	33	33	33	22	33
	982	735	431	1,013	903

The CEO's bonus is a combination of corporate and personal performance and is based upon a range of stretching targets measured across the year. The objectives are both set, and the results reviewed and approved, by the Remuneration Committee on an annual basis.

8 Other investment income

	2022 £000	2021 £000
Interest income		
Interest on bank deposits	1,951	266
Other interest income	518	735
	2,469	1,001

9 Finance (Income)/costs

	Note	2022 £000	2021 £000
Interest related to the net defined benefit liability	23	(694)	341
Past service credit related to the net defined benefit liability		(880)	-
		(1,574)	341

10 Taxation

	2022 £000	2021 £000
Origination and reversal of timing differences	5,379	(4,616)

10 Taxation **(Continued)**

The tax charge assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%). The differences are explained below:

	2022 £000	2021 £000
Profit before taxation	6,821	7,157
Expected tax charge based on a corporation tax rate of 19.00% (2021 - 19.00%)	1,296	1,360
Tax effect of expenses that are not deductible in determining taxable profit	(194)	(131)
Effect of change in tax rates	1,291	(1,291)
Depreciation on assets not qualifying for tax allowances	86	132
Deferred tax not provided on current year movement	2,900	(4,686)
Tax expense/(credit) for the year	5,379	(4,616)

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £000	2021 £000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(5,379)	5,379

Future changes to the UK corporation tax rates were announced in the Chancellor's Budget on 3 March 2021. These include proposed increases to the main rate from 19% to 25% with effect from 1 April 2023. Accordingly, current tax has been calculated at the rate for the year of 19% and, as the changes had been substantively enacted at the balance sheet date, the unrecognised deferred tax asset has been calculated using a rate of 25%.

The Group has an unrecognised deferred tax asset of £14,961,000 (2021 - £9,150,000) made up of trading losses £10,164,000 (2021 - £5,568,000), pension contribution spreading of £492,000 (2021 - £961,000) and fixed asset and other timing differences of £4,305,000 (2021 - £2,621,000). This is inclusive of an unrecognised deferred tax asset arising on the pension balance of £2,140,000 (2021 - £nil). Of the total unrecognised deferred tax asset, £2,369,000 is in the Company (2021 - £2,369,000) and £12,592,000 is in PfM (2021 - £6,781,000).

11 Intangible fixed assets

Group	Software
	£000
Cost	
At 1 January 2022	88,315
Additions	3,406
Disposals	(387)
At 31 December 2022	91,334
Accumulated amortisation	
At 1 January 2022	68,712
Amortisation charged for the year	6,627
At 31 December 2022	75,339
Carrying amount	
At 31 December 2022	15,995
At 31 December 2021	19,603

Intangible assets are long-term investments made in order to build or create IT systems or applications used by the organisation. This includes directly attributable costs of staff, contractors and consultants. Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss. The carrying amount includes work in progress (WIP) of £2.8m.

Amortisation of intangible assets is included within Administrative expenses in the Income Statement.

The Company had no intangible assets at 31 December 2022 or 31 December 2021.

12 Tangible fixed assets

Group	Leasehold land and buildings and building improvements	Systems and equipment	Total
	£000	£000	£000
Cost			
At 1 January 2022	8,665	7,958	16,623
Additions	2,684	857	3,541
Disposals	(5,714)	(1,666)	(7,380)
At 31 December 2022	5,635	7,149	12,784
Accumulated depreciation			
At 1 January 2022	4,062	6,671	10,733
Depreciation	455	472	927
Eliminated in respect of disposals	(3,034)	(1,649)	(4,683)
At 31 December 2022	1,483	5,494	6,977
Carrying amount			
At 31 December 2022	4,152	1,655	5,807
At 31 December 2021	4,603	1,287	5,890

All leasehold agreements are short-term and for a period of less than 50 years. The loss on disposals relates to write-offs of leasehold improvements made by PfM following the decommissioning of the Streatham premises in 2022.

The Company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

13 Investments

		Group		Company	
		2022	2021	2022	2021
	Note	£000	£000	£000	£000
Investments in joint ventures	**15**	11,695	6,802	-	-

Movements in non-current investments

Group	Joint ventures
	£000
Cost or valuation	
At 1 January 2022	6,802
Revaluation changes	(12)
Share of profit from joint ventures	4,509
Foreign exchange gain on joint venture net assets	396
At 31 December 2022	11,695
Impairment	
At 1 January 2022	-
At 31 December 2022	-
Carrying amount	
At 31 December 2022	11,695
At 31 December 2021	6,802

14 Subsidiaries

Details of the Group's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Company registration	Nature of business	Class of shareholding	% Held Direct	% Held Indirect
Mechanical Copyright (Overseas) Limited	01342133	Dormant	Membership	100.00	
Music Copyright Operational Services Limited	03824955	Dormant	Ordinary Shares	100.00	
Musiclicensing.com Limited	03936115	Dormant	Ordinary Shares	100.00	
Musiclicensing.org Limited	04042187	Dormant	Ordinary Shares	100.00	
PRS for Music Limited	03444246	Service Company	Ordinary Shares	100.00	
The Music Alliance Limited	03537311	Dormant	Ordinary Shares	100.00	
GRD Prep Co Limited	08121496	Dormant	Ordinary Shares		100.00
Imprimatur Services Limited	03882134	Dormant	Ordinary Shares		100.00
PRS for Music (USA) Limited	06805434	Dormant	Ordinary Shares		100.00
Rightswatch Limited	04178447	Dormant	Membership		100.00
The MCPS-PRS Alliance Limited	06825354	Dormant	Ordinary Shares		100.00

The registered office address of all subsidiaries is Goldings House, Hays Lane, London, SE1 2HB and the country of incorporation is England and Wales.

Performing Right Society Limited has guaranteed the liabilities of the above dormant subsidiaries, in order that they qualify for the exemption from audit under Section 394A or 479A (as appropriate) of the Companies Act 2006 in respect of the year ended 31 December 2022.

15 Joint ventures

Details of joint ventures at 31 December 2022 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business and registered office address	Class of shareholding	% Held Direct	Indirect
ICE Operations A.B	Sweden	Service Centre Gustavslundsvägen 135, Stockholm, 167 51 Bromma, Sweden	Ordinary Shares		33.33
Network of Music Partners A/S	Denmark	Service Centre, Rued Langgaards Vej 8, 2300 Copenhagen S, Denmark	Ordinary Shares		50.00
SOLAR-Music Rights Management Limited	England and Wales	Pan-European Licencing, Russell Square House, 10-12 Russell Square, London, UK, WC1B 5EH	Ordinary Shares		50.00
Global Repertoire Database Limited	England and Wales	Global repertoire database, Goldings House, 2 Hays Lane, London, UK, SE1 2HB	Membership		50.00
International Copyright Enterprise Services Limited	England and Wales	Multi-territorial Licencing, Russell Square House, 10-12 Russell Square, London, UK, WC1B 5EH	Ordinary Shares		33.33
PPL PRS Limited	England and Wales	UK public performance licensing, Mercury Place, St George Street, Leicester, UK, LE1 1QG	Ordinary Shares		50.00

16 Associates

Details of associates at 31 December 2022 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shareholding	% Held Direct	Indirect
British Music Rights Limited	England and Wales	Dormant	Ordinary Shares	25.00	

The registered office address of British Music Rights Limited is Goldings House, 2 Hays Lane, London, UK, SE1 2HB

17 Significant undertakings

The Group also has significant holdings in undertakings which are not subsidiaries and are not classified as joint ventures or associated undertakings:

Name of undertaking and country of incorporation or residency		Nature of business and registered office address	Class of shareholding	% Held Direct	Indirect
UK Music 2009 Limited	England and Wales	Lobbying organisation, 4th Floor, 49 Whitehall, London, UK, SW1A 2BX	Membership		10.00

18 Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
Amounts falling due within one year:	£000	£000	£000	£000
Trade receivables	48,298	42,224	25,246	32,297
Amounts owed by related parties	107,676	78,813	33,809	27,279
Amounts owed by group undertakings	-	-	149,608	126,552
Amounts owed by joint ventures	1,670	5,426	-	-
Other receivables	30,187	16,862	28,356	15,952
Prepayments	2,042	2,144	-	-
	189,873	145,469	237,019	202,080

Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	1,752	2,578
Amounts owed by joint ventures	14,305	13,709	-	-
Other receivables	481	1,162	-	-
	14,786	14,871	1,752	2,578

The directors have considered the Trade and other receivables balance to approximate its fair value.

Trade receivables arise as a result of the Group raising invoices for Broadcast and UK online licensing. Trade receivables and Amounts owed by related parties are stated after provisions for impairment of £19,308,000 (2021 - £23,394,000).

Amounts owed by related parties arise as a result of invoicing via special purpose vehicles and joint ventures for multi-territory online and public performance licensing on behalf of the Group. Aside from the loans to joint ventures, which are detailed below, amounts due from related parties are interest free and payable when funds have been received from the licensee.

Other receivables represents reclaimable VAT, accrued interest receivable and other sundry receivables.

Within amounts falling due within one year in the Company, an amount of £826,000 (2021 - £878,000) relates to the current element of the interest free loan to PfM. The loan relates to exceptional contributions into the defined benefit pension schemes made by PfM in 2005 and funded by the Company. The balances are repayable over 20 years and are contractually not interest-bearing. The loan is measured at the present value of the future payments discounted at a market rate of interest for a similar financial instrument. Over the period of the loan, interest payable is calculated and added to the loan using the effective interest method. At the transition date the loan was discounted at 6.5% (Bank of England rate at the inception date, 2005, plus 2%) and the shortfall credited to profit and loss reserve. The effect of discounting will unwind over the period of the loan as interest charged to the Income statement.

18 Trade and other receivables **(Continued)**

Loans receivable - ICE Operations

PfM had total loans of £10.7m receivable from ICE Operations and its subsidiaries at 31 December 2022 (2021 - £9.0m), with the details of each loan disclosed below. The interest rate for all loans is set per annum and is equal to the six-month Stockholm Interbank offered rate, referred to as STIBOR 6M, +1 or +2%. Other related party balances with ICE Operations are disclosed in Note 26.

	Local Currency				£000				
Loan	**B/fwd**	**Drawn**	**Repaid**	**C/Fwd**	**B/fwd**	**Drawn**	**Repaid**	**C/Fwd**	**Terms**
Loan 1		-		-		-		-	Fully repaid
Loan 2	SEK 1.4m	-	SEK 0.5m	SEK 0.9m	115	-	38	77	Repayment in equal instalments until 2024
Loan 3	-	-	-	-	-	-	-	-	Fully repaid
Loan 4		-		-		-		-	Fully repaid
Loan 5	SEK 2.7m	-	SEK 1.4m	SEK 1.3m	218	-	107	111	Repayment in equal instalments until 2023
					333	**-**	**145**	**188**	
Loan 6	-	-		-	-	-	-	-	Fully repaid
Loan 7	EUR 0.2m	-	EUR 0.1m	EUR 0.1m	148	-	67	81	Repayment in equal instalments until 2023
Loan 8	EUR 1.6m	-	-	EUR 1.6m	1,404	-	-	1,404	Repayment in equal instalments until 2030, starting from 2024
Loan 9	EUR 7.6m	EUR 2.5m	-	EUR 10.1m	6,612	2,111	-	8,723	
Loan 10	EUR 0.6m	-	EUR 0.2m	EUR 0.4m	471	-	150	321	Repayment in equal instalments until 2025
					8,635	**2,111**	**217**	**10,529**	
					8,968	**2,111**	**362**	**10,717**	

Loans receivable – SOLAR Music Rights Management Limited

PfM had total loans of £0.4m receivable from SOLAR Music Rights Management Limited at 31 December 2022 (2021 - £0.4m). The interest rate for this loan is set at the Bank of England Base rate +2%. Other related party balances with SOLAR are disclosed in Note 26.

	Local Currency				£000				
Loan	**B/fwd**	**Drawn**	**Repaid**	**C/Fwd**	**B/fwd**	**Drawn**	**Repaid**	**C/Fwd**	**Terms**
Loan 1	EUR 0.5m	-	-	EUR 0.5m	429	-	-	429	Full repayment due 2023

Loans receivable – PPL – PRS

PfM had total loans of £4.8m receivable from PPL - PRS at 31 December 2022 (2021 - £9.7m). The interest rate for this loan is set at the Bank of England Base rate +2%. Other related party balances with PPL-PRS are disclosed in Note 26.

	Local Currency				£000				
Loan	**B/fwd**	**Drawn**	**Repaid**	**C/Fwd**	**B/fwd**	**Drawn**	**Repaid**	**C/Fwd**	**Terms**
Loan 1	GBP 9.7m	-	GBP 4.9m	GBP 4.8m	9,738	-	4,909	4,829	Repayment in instalments until 2028

19 Financial Instruments

Since June 2016 PfM has entered into forward foreign currency contracts on all currency loans made to ICE Operations and SOLAR. A fixed rate is agreed for the term of each loan and forward contracts are entered into a year at a time until the maturity date, currently set at various dates until 2030. All forward contracts are recognised in the Statement of financial position and are measured at fair value through the Income statement, using the fixed market value exchange rates agreed at the start of each forward contract. The value of hedged loans recognised in the Statement of financial position as at 31 December 2022 was £11,146,000 (2021: £9,397,000).

20 Creditors: amounts falling due within one year

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**£000**	**£000**	**£000**	**£000**
Amounts owed to members and affiliated societies		327,125	282,610	327,125	282,610
Trade payables		776	482	-	-
Amounts owed to MCPS	**26**	16,279	12,315	-	-
Other taxation and social security		4,912	4,278	-	-
Deferred income		99,462	80,276	99,462	80,276
Other payables		8,692	10,648	8,692	10,648
Accruals		20,602	14,408	-	-
		477,848	405,017	435,279	373,534

The directors have considered the Trade payables balance to approximate its fair value. An amount of £16,279,000 (2021 - £12,315,000) is included within amounts owed to MCPS, upon which the Group has no obligation to pay interest now or in the future, has no formal repayment terms and is in accordance with the service level agreement between the parties.

Other payables includes an amount of £nil (2021 - £4,662,000) for the estimated impact up to December 2022 of credit notes still expected to be raised to licensees for venues that have closed for a period as a result of Covid-19.

21 Investments - short-term deposits

Investments are short-term bank deposits consisting of £125,444,000 (2021 - £120,841,000) held in same day or overnight notice deposit accounts and £nil (2021 - £nil) held in 6 and 12 months' notice accounts. £5,194,000 of these deposits are held in PfM (2021 - £5,091,000). The amounts held for 3 months or less are shown as cash and cash equivalents in the Consolidated statement of cash flows. The interest rates ranged between 0.01% - 3.05% (2021 - 0.01% to 0.30%).

22 Provisions for liabilities

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£000	**£000**	**£000**	**£000**
Legal provisions	1,699	2,466	-	-
Dilapidations provisions	915	285	-	-
	2,614	2,751	-	-

Movements on provisions:

Group	**Legal provisions £000**	**Dilapidations provisions £000**	**Total £000**
At 1 January 2022	2,466	285	2,751
Additional provisions in the year	1,500	630	2,130
Reversal of provision	(131)	-	(131)
Utilisation of provision	(2,136)	-	(2,136)
At 31 December 2022	1,699	915	2,614

The Group has recognised a provision for the estimated cost of returning its leasehold property in London Bridge to the original condition at the end of the lease.

The Group has recognised a constructive obligation relating to litigation at the Statement of financial position date. The obligation has been calculated by estimating the most likely course of action pertaining to two litigation cases. It is expected that most of the costs will have been incurred within one year of the Statement of financial position date.

Discounting has not been applied to the provisions for liabilities as the impact of this is not considered to be material.

23 Retirement benefit schemes

Defined contribution schemes	**2022**	**2021**
	£000	**£000**
Charge to Income statement in respect of defined contribution schemes	1,732	1,639

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. £266,000 (2021 - £237,000) relating to defined contribution payments has been accrued for at the year-end.

Defined benefit schemes

The Group operates two separately administered defined benefit pension schemes. The MCPS-PRS Alliance Pension Scheme (MCPS) (formerly the MCPS scheme) was closed to new entrants from 1 January 1999 and The MCPS-PRS Alliance Pension Scheme (formerly the PRS scheme) was closed to new entrants from 1 January 2003. On 31 December 2010 the schemes were closed to future accrual with active members losing the link to final salary.

The scheme rules allow the Group to recognise a surplus but as two separately administered schemes there are no automatic provisions to offset the deficit in one scheme against a surplus in the other, hence the need to separately disclose the surplus and deficit on the Consolidated Statement of financial position.

Valuation

In March 2022, the latest triennial valuations of the pension schemes were completed. The deficit funding plan has been reassessed between the Group and the trustees of the schemes, following a significant improvement in the valuation of the schemes. The approved plan involves the Group continuing to make annual payments into both schemes through to June 2030, albeit at a reduced combined annual contribution value, with the intention of both schemes reaching self sufficiency by December 2032.

Key assumptions

	2022	**2021**
	%	**%**
Discount rate	4.8	2.0
Pension increases (RPI max 5%)	3.0	3.1
Expected rate of salary increases	n/a	n/a
Price inflation (CPI)	2.5	2.1
Expected rate of decrease of pensions in payment	n/a	n/a
Price inflation (RPI)	3.1	3.0

23 Retirement benefit schemes **(Continued)**

Mortality assumptions

Assumed life expectations on retirement at age 65:

	2022 Years	2021 Years
Retiring today		
- Males	22.0	22.2
- Females	24.3	24.5
Retiring in 20 years		
- Males	23.3	23.5
- Females	25.7	26.0

The increase in the discount rate is linked to the increase in the yield on corporate bonds between 31 December 2021 and 31 December 2022.

The post-retirement mortality assumptions allow for expected decrease in longevity. The "current" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with "future" being that relating to an employee retiring in 2030. The CMI mortality projections adopted in the assumptions have not changed since 2020, on the basis that these continue to reflect the latest market data, with a smoothing factor which makes broadly the same allowance for expected higher life expectancy for pension scheme populations compared with the national population.

The amounts included in the Statement of financial position arising from obligations in respect of defined benefit plans are as follows:

	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Net present value of defined benefit liabilities/ (assets)	4,848	(20,901)	-	-
Deficit/(surplus) in Scheme	4,848	(20,901)	-	-
Recognised as:				
Defined benefit scheme surplus	(1,101)	(25,218)	-	-
Defined benefit scheme liability	5,949	4,317	-	-
	4,848	(20,901)		

23 Retirement benefit schemes (Continued)

The defined benefit obligation comprises of £196,512,000 (2021 – £306,049,000) from plans that are wholly or partly funded.

The MCPS-PRS Alliance Pension Scheme closed to future accrual on 31 December 2010. A fixed annual contribution of £1,675,000 has been made during 2022 to reduce the deficit in the scheme, following the decision at the triennial valuation completed in 2022 for deficit funding to be reduced from the level of previous years with the split between the PRS and MCPS schemes adjusted.

The MCPS-PRS Alliance Pension Scheme (MCPS) closed to future accrual on 31 December 2010. A fixed annual contribution of £1,075,000 has been made during 2022 to reduce the deficit in the scheme following the decision at the triennial valuation completed in 2022 for deficit funding to be reduced from the level of previous years with the split between the PRS and MCPS schemes adjusted.

As part of the triennial valuation in progress, a proposal has been approved by the Board to reduce the total annual contribution from £3,500,000 to £2,500,000, split equally between the two schemes.

Movements in the present value of defined benefit obligations

	MCPS-PRS Alliance Pension Scheme		MCPS-PRS Alliance Pension Scheme (MCPS)		Total	Total
	2022	2021	2022	2021	2022	2021
	£000	£000	£000	£000	£000	£000
At 1 January	(254,485)	(286,649)	(51,564)	(55,622)	(306,049)	(342,271)
Benefits paid	7,726	8,579	709	1,014	8,435	9,593
Interest cost	(6,045)	(3,953)	(1,024)	(772)	(7,069)	(4,725)
Past service credits	880	-	-	-	880	-
Actuarial gains	88,960	27,538	18,331	3,816	107,291	31,354
At 31 December	(162,964)	(254,485)	(33,548)	(51,564)	(196,512)	(306,049)

The pension plans have not invested in any of the Group's reserves, or any of its own properties or other assets used in its operations.

The amounts recognised in the Income statement for the year are:

	MCPS-PRS Alliance Pension Scheme		MCPS-PRS Alliance Pension Scheme (MCPS)		Total	Total
	2022	2021	2022	2021	2022	2021
	£000	£000	£000	£000	£000	£000
Interest on net defined benefit pension liabilities	(770)	223	76	118	(694)	341
Past service credits	(880)	-	-	-	(880)	-
	(1,650)	223	76	118	(1,574)	341

23 Retirement benefit schemes **(Continued)**

The fair value of assets and liabilities at the reporting period end were as follows:

	MCPS-PRS Alliance Pension Scheme	
	2022	**2021**
	£000	**£000**
Equity instruments	18,300	40,639
Debt instruments	31,600	114,723
Property	-	12,517
Cash and other	89,265	70,770
Hedge funds	24,900	41,054
Fair value of scheme assets	164,065	279,703
Present value of scheme liabilities	(162,964)	(254,485)
	1,101	25,218
Related deferred tax asset	-	-
Net surplus	1,101	25,218

	MCPS-PRS Alliance Pension Scheme (MCPS)	
	2022	**2021**
	£000	**£000**
Equity instruments	1,400	11,300
Debt instruments	13,500	21,000
Cash and other	2,799	(653)
Hedge funds	9,900	15,600
Fair value of scheme assets	27,599	47,247
Present value of scheme liabilities	(33,548)	(51,564)
	(5,949)	(4,317)
Net deficit	(5,949)	(4,317)
Total net pension (deficit)/surplus	(4,848)	20,901

23 Retirement benefit schemes **(Continued)**

Changes in the fair value of plan assets are analysed as follows:

	MCPS-PRS Alliance Pension Scheme £000	MCPS-PRS Alliance Pension Scheme (MCPS) £000	Total £000
As at 1 January 2021	269,194	46,902	316,096
Expected return on plan assets	3,730	654	4,384
Employer contributions	2,950	550	3,500
Benefits paid	(8,579)	(1,014)	(9,593)
Actuarial gains	12,408	155	12,563
As at 1 January 2022	279,703	47,247	326,950
Expected return on plan assets	6,815	948	7,763
Employer contributions	1,675	1,075	2,750
Benefits paid	(7,726)	(709)	(8,435)
Actuarial losses	(116,402)	(20,962)	(137,364)
	164,065	27,599	191,664

Actuarial (losses)/gains

	MCPS-PRS Alliance Pension Scheme 2022 £000	MCPS-PRS Alliance Pension Scheme 2021 £000	MCPS-PRS Alliance Pension Scheme (MCPS) 2022 £000	MCPS-PRS Alliance Pension Scheme (MCPS) 2021 £000	Total 2022 £000	Total 2021 £000
(Losses)/ Gains on plan assets	(116,402)	12,408	(20,962)	155	(137,364)	12,563
Gains on plan liabilities	88,960	27,538	18,331	3,816	107,291	31,354
	(27,442)	39,946	(2,631)	3,971	(30,073)	43,917

The Company had no post-employment benefits at 31 December 2022 (2021: £nil).

24 Financial commitments, guarantees and contingent liabilities

Group and Company

Capital expenditure authorised and contracted for at 31 December 2022 was £115,000 (2021 – £180,000).

The annual donation to the PRS for Music Foundation in 2022 was £2,500,000 (2021 - £2,500,000) and the Company has committed to an annual donation of £2,500,000 in 2023.

25 Operating lease commitments

Operating lease payments represent rentals payable by the Group for certain of its properties. Leases are negotiated for an average term of 15 years.

The Group entered into a lease for an additional c18,000 square foot of office space at London Bridge from June 2022. At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Within one year	1,213	1,635	-	-
Later than one year and not later than five years	8,781	12,856	-	-
In over five years	18,453	23,196	-	-
	28,447	37,687	-	-

26 Related party transactions

Group

The remuneration of key management personnel, who are also directors, is disclosed in note 7.

All members of the Group, the directors and parties related to them are entitled to royalties from the Group in respect of the performance of any copyright works owned by them. Parties related to directors include family members and companies controlled by these directors including, where appropriate, publishing companies and their subsidiaries.

During 2022, total royalties paid by PRS to the directors who held office during the year, and to parties related to the directors, amounted to £117,612,000 (2021 - £90,241,000). £116,240,000 (2021 - £88,809,000) of this was paid to publisher directors and parties related to the publisher directors, and £1,372,000 (2021 – £1,432,000) was paid to the writer directors and parties related to the writer directors. These royalties were calculated on the same basis as royalties paid to all members and are paid in accordance with the society's normal procedures, however this information is commercially sensitive and therefore related party transactions by director have not been disclosed.

26 Related party transactions **(Continued)**

PfM received services from ICE Operations and its subsidiaries to the value of £4,890,000 (2021 – £5,100,000). PfM also charged ICE Operations an amount of £nil (2021 – £nil) for services provided and was owed a balance of £nil (2021 – £nil) and had costs to recharge of £nil at the year end (2021 - £nil).

Full details on loans made to ICE Operations can be found in note 18.

During the year PfM charged ICE Services an amount for services provided of £1,268,000 (2021 - £810,000), paid commissions of £9,407,000 (2021 - £8,525,000) and paid service charges of £nil on PRS legacy deals (2021 - £719,000). PfM was owed a balance of £96,000 (2021 - £60,000) and had costs to recharge of £65,000 (2021 - £501,000) at the year end.

PfM received services from NMP to the value of £1,258,000 (2021 – £1,334,000). PfM also charged NMP an amount of £138,000 (2021 – £96,000) for services provided and was owed a balance of £9,000 (2021 – £24,000) at the year end.

During the year PfM charged SOLAR an amount of £81,000 (2021 - £nil) for services provided and paid commissions of £9,628,000 (2021 - £8,236,000). PfM was owed a balance of £23,000 (2021 - £nil) at the year end.

Full details on loans made to SOLAR can be found in note 18.

During the year PfM made a contribution to UK Music 2009 Limited of £631,000 (2021 – £543,000). PfM owed a balance of £nil (2021 – £nil) at the year end.

During the year, PfM provided operational services to MCPS, a company with common directors, under the terms of a service level agreement. The value of the service was £14,501,000 (2021 - £13,163,000). At the year end PfM was owed a balance of £1,132,000 (2021 - £1,344,000) from MCPS and had fees to charge of £2,900,000 (2021 - £1,082,000).

During the year, PfM did not provide subsidised contributions to Music Publishers Association Limited (MPA). MPA is the parent undertaking of MCPS. The value of contribution for 2022 was £nil (2021 – £113,000). PfM was owed a balance of £nil (2021 - £nil) at the year end.

During the year the Company did not make donations (2021 - £nil) and PfM did not provide subsidised services including accommodation to The PRS Members' Benevolent Fund (2021 – £10,000). PfM charged an amount of £208,000 (2021 - £189,000) for other services provided. PfM was owed a balance of £nil (2021 - £nil) and had costs to recharge of £21,000 (2021 - £16,000) at the year end.

During the year the Company made donations of £2,500,000 (2021 - £2,500,000) and PfM provided subsidised services including accommodation to The Performing Right Society Foundation Limited. The value of the subsidy for 2022 has been estimated as £nil (2021 – £26,000). PfM also charged an amount of £3,000 (2021 - £2,000) for other services provided. PfM was owed a balance of £nil (2021 - £nil) at the year end.

During the year, PfM made a contribution to the British Academy of Songwriters, Composers and Authors, (trading as The Ivors Academy), an organisation with common directors. The value of the contribution for 2022 was £57,000 (2021 - £113,000). During the year PfM was also charged an amount of £85,000 (2021 - £124,000) for sponsorship. There were no amounts outstanding at the end of the current or previous year.

During the year PfM recharged PPL - PRS an amount for costs incurred of £89,000 (2021 - £338,000) and had costs to recharge of £276,000 (2021 - £nil) at the year end. Additionally, the Group incurred service charges of £16,624,000 (2021 - £14,409,000) during the year. The Company was owed a balance of £355,000 (2021 - £7,551,000) at the year end for public performance collections made by PPL-PRS.

Full details on loans made to PPL - PRS can be found in note 18.

26 Related party transactions (Continued)

Due to the highly integrated nature of the industry, many directors will also be related to customers of the Group, either through the provision of music related services to them, or as employees of the same group of companies. All transactions with any such related customers are carried out on an arm's length basis.

27 Controlling party

Performing Right Society Limited (PRS) is a company limited by guarantee and has no share capital. The directors regard PRS as the ultimate controlling party of the Group and it is the highest and lowest level of consolidation.

28 Cash flows generated from operations

	2022 £000	2021 £000
Profit before taxation and funds attributable to members and affiliated societies	876,509	691,887
Adjustments for:		
Income tax expense	(5,379)	4,616
Finance (income)/costs	(1,574)	341
Investment income	(2,469)	(1,001)
Loss on disposal of tangible assets	2,697	5,345
Loss on disposal of intangible assets	387	1,170
Amortisation and impairment of intangible assets	6,627	6,606
Depreciation and impairment of tangible assets	927	1,145
Foreign exchange (gains)/losses on cash equivalents	(4,484)	5,044
Losses/(gains) on revaluation of investment	12	(16)
Share of profit in joint ventures	(4,509)	(4,063)
Pension scheme non-cash movement	713	(7,775)
Decrease in provisions	(137)	(1,616)
Defined benefit pension contributions paid	2,750	3,500
Movements in working capital:		
Increase in trade and other receivables	(45,701)	(11,497)
Increase in trade and other payables	28,316	11,055
Cash flows generated from operations	854,685	704,741

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